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April 8, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Initial Comments of Iowa Network Services,
Inc. - CC Docket No. 96-23
Revision of Filing Requirements

Dear Mr. Caton:

On behalf of Iowa Network Services, Inc. ("INS"), we transmit herewith an original and nine (9) copies of INS's comments in the above-referenced proceeding. Sufficient copies are being provided so that each Commissioner may receive a copy. Simultaneously herewith, we are serving an additional copy on the Commission's copy contractor per the request in the Notice of Proposed Rule Making.

Please direct any questions regarding this filing to the undersigned.

Sincerely,



L. Charles Keller

Enclosures

APR 8 1996

CC Docket No. 96-23

COMMENTS OF IOWA NETWORK SERVICES, INC.

Through Iowa Network Access Division ("INAD"), INS provides centralized equal access service to a number of independent local exchange carriers ("LECs"). Another division, Iowa Network Interexchange Carrier Division ("INICD"), is a non-dominant interexchange carrier providing long distance service to subscribers of INAD's member LECs. INS is therefore subject to many of the reporting requirements that are discussed in the NPRM and has a strong interest in the proceeding's outcome. INS applauds the Commission's efforts to reduce unnecessary regulatory burdens on carriers' and the Commission's scarce resources.

INS agrees with the Commission that practical necessity no longer requires the filing of semi-annual circuit reports, as required by Section 63.07(b) of the rules. As noted in the NPRM,

¹ Revision of Filing Requirements, Notice of Proposed Rulemaking, CC Docket No. 96-23, FCC 96-64, (released February 27, 1996).

the Commission possesses the authority under the Communications Act to request this information from carriers if individual circumstances make it necessary. Elimination of the report would relieve carriers of the costs and administrative burden of preparing the filing, and would relieve the Commission of the burden of administering and collecting the reports.

Accordingly, INS urges the Commission to adopt its proposal to eliminate the semi-annual circuit reporting requirement of Section 63.07(b).

II. INS's Section 214 Semi-Annual Lease Report.

As a condition of granting INAD's Section 214 authority in 1988, the Commission imposed a semi-annual reporting requirement on INAD.² Under the terms of the Order, INAD must file semi-annual reports comparing the amount of capacity INAD leases from INICD with the capacity INAD actually uses to render equal access service.³ Like the Section 63.07(b) circuit report, no practical necessity exists to continue to require INAD to file the semi-annual leasing reports.

The stated purpose of the leasing report is to ensure that INAD is not leasing excess capacity from INICD in order to subsidize INICD's long distance service.⁴ Yet, in the seven years

² See In re the Application of Iowa Network Access Division (File No. W-P-C-6025), Memorandum Opinion, Order and Certificate (DA 88-293), 3 FCC Rcd 1468 (1988), aff'd on recon. 4 FCC Rcd 2201 (1989) (the "Order").

³ Order, 3 FCC Rcd at 1472.

⁴ Id.

since the Order was issued, there has never been any evidence of such impermissible cross-subsidization. Indeed, the Commission's cost allocation rules and affiliate transaction rules set forth in Sections 32.27 and 64.904 already provide ample safeguards against cross-subsidization. Further, as with the circuit reports, the Commission retains jurisdiction under the Communications Act to require this information from INAD if circumstances warrant its collection.⁵

Though INS's leasing report requirement is not contained in the rules, and applies only to INS, it is entirely appropriate for the Commission to order its elimination in this rule making proceeding. Many of the reporting requirements proposed to be modified or eliminated in the NPRM are found only in Commission orders, are not contained in the rules, and apply only to a single carrier.

For example, all of the divestiture-related reports discussed in the NPRM were imposed by FCC orders, were never codified in the rules, and apply only to AT&T.⁶ Likewise, the CPE Installation and Maintenance Report,⁷ the Equipment Blockage and Failure Report,⁸ and the Nondiscrimination Report for Enhanced Services Providers⁹

⁵ 47 USC § 218. See also NPRM at para. 11.

⁶ NPRM, mimeo at 4, para. 3.

⁷ NPRM, mimeo at 4, para. 4.

⁸ NPRM, mimeo at 5, para 5.

⁹ NPRM, mimeo at 5-6, para. 6.

were all imposed solely by FCC order, are not rule-based, and apply only to a single carrier.

Similarly, the BOC reporting requirements discussed in the NPRM¹⁰ result solely from Commission orders, and apply only to a small class of carriers. The same is true of the Billing and Collection Contracts requirement,¹¹ though the class of carriers is slightly larger.

Many other reporting requirements that are proposed to be modified in this NPRM are contained only in Commission orders, and not in the rules. These include the ARMIS Service Quality Report 43-05,¹² the New Service Tracking Report,¹³ and the Payphone Compensation report.¹⁴

Further, eliminating the leasing report requirement would further the goals of the NPRM and the President's Regulatory Reform Initiative.¹⁵ Its elimination would have no appreciable negative impact on the public interest goals underlying the original imposition of the condition. Administrative burdens on both INAD and the Commission would be reduced.

¹⁰ NPRM, mimeo at 6-7, paras. 7-9.

¹¹ NPRM, mimeo at 7, para. 10.

¹² NPRM, mimeo at 9, para. 15.

¹³ NPRM, mimeo at 10, para. 18.

¹⁴ NPRM, mimeo at 11, para. 19.

¹⁵ Executive Office of the President, Office of Management and Budget, Memorandum for Heads of Executive Departments and Establishments, October 18, 1993.

Thus, the Commission may appropriately order the elimination of INS's leasing report requirement in the context of this rule making proceeding. In light of the greater burden experienced by small carriers like INS in complying with reporting requirements generally, INS hopes the Commission would not favor large carriers, for whom specific relief is contemplated in the NPRM, while refusing to do the same for a small carrier.

On that basis, INAD requests that its Section 214 Order be modified to eliminate the semi-annual leasing report requirement.

CONCLUSION

INS respectfully requests that the Commission implement its proposal to eliminate the Section 63.07(b) semi-annual circuit report, and that the Commission modify INAD's Section 214 authorization to eliminate the semi-annual leasing report requirement.

Respectfully submitted,

IOWA NETWORK SERVICES, INC.

By:



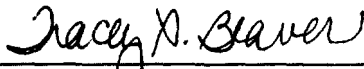
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April 8, 1996

CERTIFICATE OF SERVICE

I, Tracey A. Beaver, do hereby certify that I have this 8th day of April 1996, caused to be hand delivered copies of the foregoing to the parties listed on the service list below:


Tracey A. Beaver

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